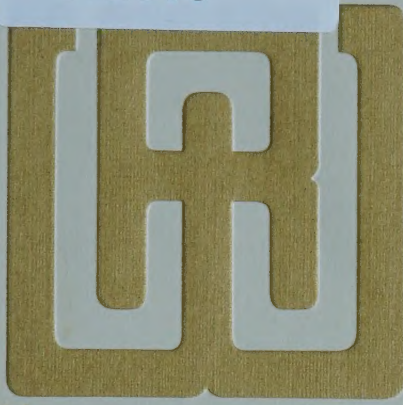


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WALL & REDEKOP / 1970 ANNUAL REPORT

WALL & REDEKOP CORPORATION LTD.

Head Office: 1070 West Broadway, Vancouver, B.C.



WALL & REDEKOP CORPORATION LTD.



The Vancouver Kingsway real estate office.



President's Report

The past year has been one of challenge for your Corporation, its management and staff. We have experienced a year of restraint involving a government tight money policy designed to reduce inflationary forces, high interest rates, and unsettled labour-management conditions.

Your Company has profited from the challenge these circumstances placed before us. We have utilized the opportunity to reassess corporate policies, and to generally strengthen our organization.

The key to any successful Company is in the expertise of its people. During the past year, your Company has continued its management development programs under the guidance of its senior executives, and an exceptionally able management team is being developed. We shall continue this program to the end that maximum results will be achieved.

In our first annual report as a public Company, we detailed the Corporation's policy relating to ownership of land and income producing investments. In the past year, we have continued these policies and have been successful in making substantial gains. The rental income, for example, increased by 58 per cent over the previous year.

Recent key indicators point to a return to more buoyant economic conditions. In addition to reductions in short term interest rates, some easing of rates on long-term funds has become evident. The report of the Economic Council of Canada has pointed to the need for 200,000 new housing units per year over

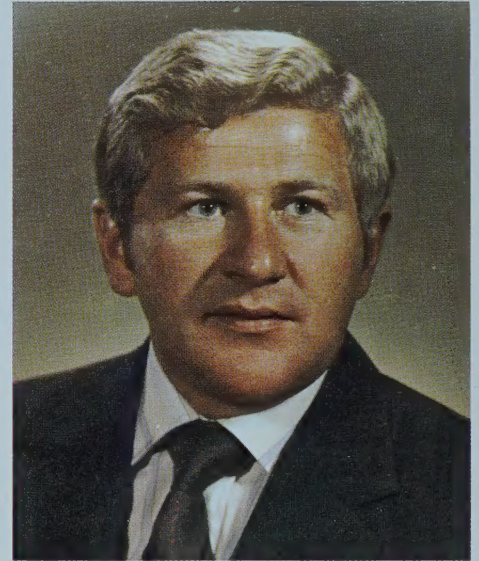
the next five years in order to meet the country's projected requirements. Indications are that only 165,000 units will be constructed during the current year. Governments have already initiated steps to alleviate the housing problem and encouragement can be taken from the fact that governments recognize the problem and are prepared to place increasing emphasis on resolving it.

A recent report on population trends issued by the Lower Mainland Regional Planning Board has forecast that the population of the Lower Mainland will increase from the 1966 level of 1,005,657 to 1,321,000 by 1976, and to 1,722,000 by 1986. The stated purpose of these projections was "to provide a reasonable basis for both public and private agencies, and individuals to anticipate future growth and to gauge the demands for facilities and services that will result."

It is your Company's intention to carefully analyze the opportunities for expansion and diversification which this tremendous growth will offer. We are presently active in most fields of endeavour which will realize the greatest profit from an expanded population and its resultant requirements.

During the period under review, your Company investigated the possibility of obtaining additional funds through a public issue to permit an acceleration of the Company's development. In your Director's views, the cost of such an issue would have been prohibitive, and accordingly the required short-term funds were generated internally.

During the last year, the



Corporation's first as a public Company, your Directors were pleased to institute the first dividend payments on common shares of the Corporation, in the amount of 10 cents per share. Further steps were taken by the Board during the year. Two new Directors were welcomed to the Board, Mr. David Lam and Mr. Clare Baldwin, increasing the number from five to seven. In addition, the following officers were elected: Mr. Peter Wall, Chairman; Mr. Peter Redekop, President, and Mr. Clare Baldwin, Secretary.

The Directors join me in expressing to our employees our appreciation for the enthusiastic spirit of co-operation, loyalty and effort which are vital to the continuing success of your Corporation.

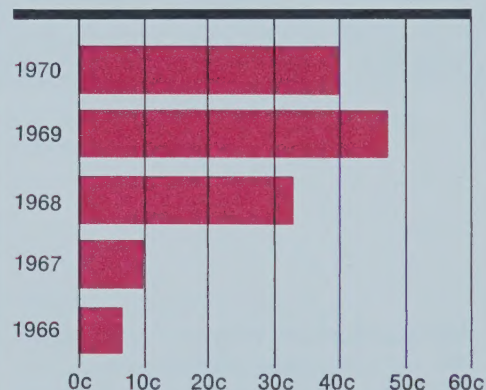
On behalf of the Board

A handwritten signature in dark ink, appearing to read "Peter Redekop". The signature is fluid and cursive, with the first name "Peter" and last name "Redekop" clearly distinguishable.

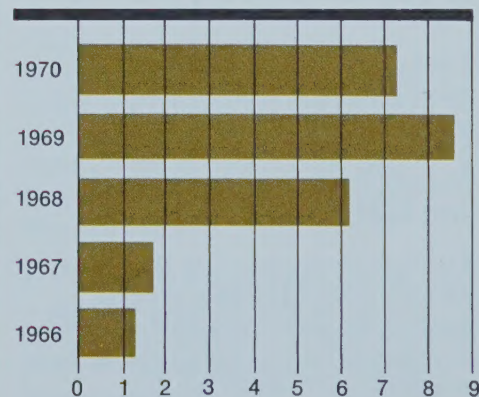
1970 Highlights

	1970	1969	1968
Operating Revenues	\$13,497,194	\$13,185,146	\$12,330,236
Operating Expenses	\$11,169,503	\$10,792,379	\$10,732,850
Earnings before taxes	\$ 1,455,612	\$ 1,772,326	\$ 996,290
Net earnings	\$ 725,727	\$ 866,172	\$ 609,628
Earnings per average common share outstanding	40c	47c	33c
Average common shares outstanding	1,831,340	1,831,340	1,831,340
Shareholders Equity	\$ 4,236,484	\$ 3,510,757	\$ 1,195,204
Retained earnings at July 31	\$ 2,783,891	\$ 2,058,164	\$ 1,191,992
Gross Real Estate Sales (est.)	\$46,768,144	\$50,000,000	\$22,916,254
Sales Staff at July 31	188	150	25
Interest in rental properties (suites)	1,152	997	499
Rental properties under management (suites)	2,287	1,706	(est.) 1,000

**NET EARNINGS PER SHARE,
BASED ON 1,831,340
SHARES ISSUED**



NET EARNINGS
(In Hundred Thousands)



The Year In Review



Peter Wall (right), Chairman of the Board, and Peter Redekop, President.

Measured against the performance of the economy generally, the past year was a successful one for Wall & Redekop Corporation Ltd.

Gross revenues were \$13,497,194 compared with \$13,185,146 in the previous year. Net profit was \$725,727 or 40 cents per share. Rental income increased 58 per cent to \$1,399,674.

Operations in other key Divisions, including Real Estate and Farm operations, were expanded during the year as part of the Corporation's continuing efforts to lay the

foundation for accelerated growth. Details of these and other divisional activities are contained in the reports in the following pages.

The Wall & Redekop Corporation Ltd. now operates eight realty service centres throughout the Greater Vancouver and Fraser Valley areas of British Columbia, staffed, by a total of 188 sales personnel. Other operations include lumber and building supply outlets, a kitchen cabinet assembly plant, a large egg and poultry farming operation and construction and land development divisions.



Construction is under way on The Andrea, a new 42-suite Wall & Redekop apartment building at 3787 West Fourth Avenue, Vancouver.



Construction Foreman Ted Friesen supervises pouring of concrete on a 108-suite apartment project at 5th Ave. and Howay St. in New Westminster.

Construction

The Construction Division has been able to resume its activities which were substantially curtailed during the past fiscal year by the labour difficulties experienced throughout the construction industry of British Columbia.

At September, 1970, the Division had 377 suites under construction including a 108-suite frame building project located at Fifth Avenue and Howay Street in New Westminster. Construction of a \$3,000,000 185-suite high-rise apartment building in West Vancouver is scheduled for completion in December, 1970.

The Construction Division is utilizing the newest and most up-to-date construction methods and is actively analyzing the demand for special housing concepts such as low-rental and limited dividend developments and condominiums. These lend themselves to greater land utilization resulting in a reduction of per unit costs, and thus serve the needs of the total population.

A 117-unit condominium project is planned by the Division for the Greater Vancouver area, and other potential developments are under consideration.

Construction

The strong demand for all phases of housing accommodation in the Lower Mainland of British Columbia promises to accelerate the growth of the Construction Division.

Land Development

We have continued our corporate policy of purchasing only land which can be serviced from existing facilities and for which an immediate market demand exists. Consistent with this policy, the Company is presently planning development of a 70-acre residential subdivision in one of the fastest growing areas of the Lower Mainland.

We have made no commitment for the purchase of land which does not meet this criterion, and we feel the merits of this decision have been proven during the recent period of high interest rates when the cost of holding land on a long-term basis has become disproportionate to the prospects of appreciation.

We have decided that the immediate development of the unique, exciting Shannon property is not advisable in view of the current high interest rates. Your directors are of the opinion that it would not be in the Company's interest to commit itself to a \$3,500,000 long-term mortgage which the project would require. The Company has invested approximately \$1,000,000 in this property to date and will proceed with construction as soon as the mortgage market has stabilized. The Company has refused offers for the property which would have resulted in a substantial profit, in their belief in the enormous potential of this development.

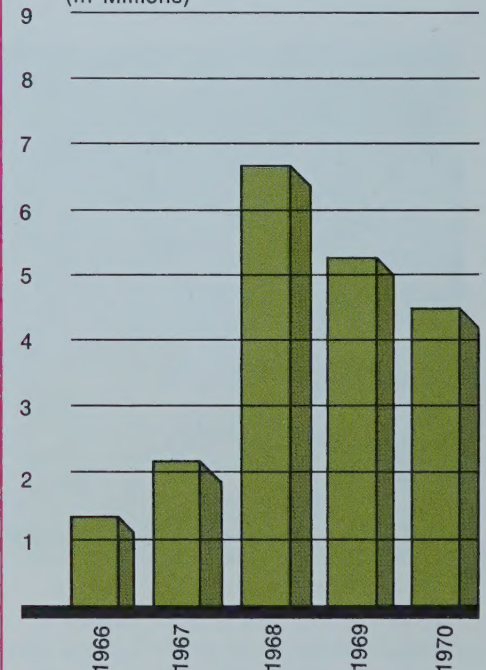


This 185-suite, \$3,000,000 Wall & Redekop high-rise apartment is being built at 1552 Esquimalt Avenue in West Vancouver.

Other forms of financing have also been offered but have involved title to the property being transferred to the lender as a loan condition, and as this is inconsistent with our present policy of retaining ownership, they have been declined.

We are presently examining the feasibility of recreational land development. We have concluded that our interest in this field will be restricted to special situations which are in close proximity to areas of concentrated population.

GROSS REVENUES—Construction
(In Millions)



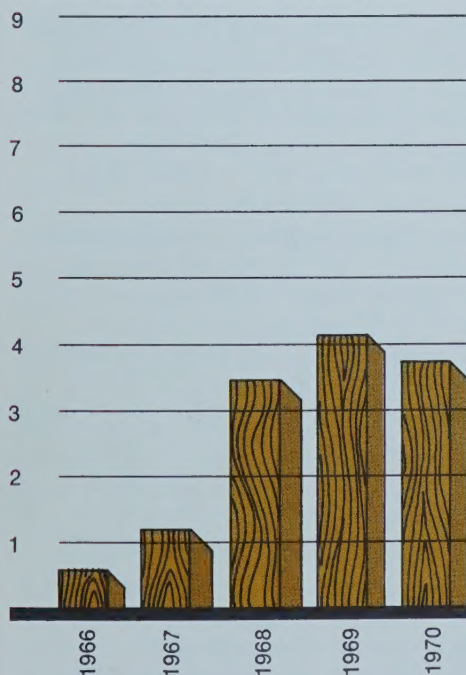
Lumber and Building Products

Profits of this Division rose 47 per cent despite the shutdown of the construction industry.

During the year, administrative responsibilities of the Division were divided in keeping with the services and other needs of both the building products and kitchen cabinet assembly sectors.

Doug Hanzlick has retained responsibility for building products sales in the Greater Vancouver area and Ron Morris was appointed to direct and manage the cabinet assembly plant in Richmond and the lumber yard in Cloverdale. Under their capable direction the Division instituted efficiencies designed to increase profitability consistent with offering the best possible service to customers.

GROSS REVENUES—Lumber (In Millions)



Doug Hanzlick, Manager of Building Products Sales in the Vancouver area, checks on delivery dispatching at the Sperling Lumber yards, assisted by Eric Janzen (left) and Ted Knight.

Ron Morris (right), Manager of Monocrest Kitchens, confers with Assistant Walter Mysek at the Richmond cabinet assembly plant.



As part of the Division's program of increasing operating efficiency and improving customer services, building products operations in Burnaby were consolidated at the Sperling Lumber yard. The rapidly-growing Cloverdale building products outlet in the past year has almost doubled sales and profits in the growing Fraser Valley area, and will be a key profit contributor for the future. Operations at the Richmond cabinet assembly plant also showed marked improvement both in efficiency and profit.

The general outlook for this Division is excellent with market projections for the housing sector indicating rapid upward trends for the years ahead. The resulting increased demand will increase requirements for both building products and component manufacturing such as cabinet assembly, and this Division will direct its energies towards obtaining an increasing share of these markets.



The Beacon Hill, a 98-suite Wall & Redekop apartment building at 125 Keith Road in North Vancouver.



Robert Lee, President of Wall & Redekop Realty Ltd., at a regular sales managers' meeting.

Consistent with the Company's expansion policies two new service centres were opened in the Greater Vancouver area and Fraser Valley during the year, at Abbotsford and Maple Ridge. This brought to eight the total number of Wall & Redekop Realty service centres now in operation.

This Division also placed increasing emphasis on its continuing program of sales personnel training. Through these programs, the Company has attracted a growing sales force which now includes an increasing number of young, energetic and capable sales representatives who are making rapid progress in their profession. The acquired experience and improving skills of our sales force were prime factors in maintaining our residential sales volume.

The Provincial Government's various plans designed to assist purchasers in acquiring new or older housing have achieved this objective and have contributed to increased sales in the residential sector. Under these plans an eligible new-home purchaser has the option of a \$1,000 grant or a \$5,000 second mortgage at a low 8 $\frac{5}{8}$ per cent interest rate, and additional attractive rebate features. A grant of \$500 or a second mortgage of \$2,500 is available on older homes to eligible purchasers. The Division's portfolio of client-owned properties also expanded during the past year and now has 2,287 units under its management.

Our international section has been successful with its activities resulting in increased sales volumes. Mr. David Lam assisted in the sale of



Some of the key realty personnel from Wall & Redekop service centres throughout Greater Vancouver.

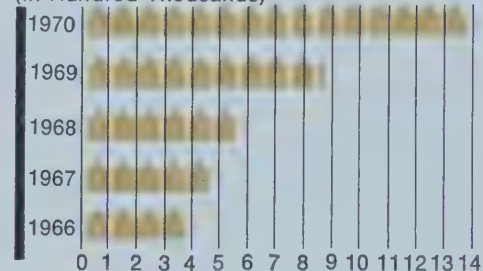
An artist's conception of a 117-suite condominium project scheduled to be built in the Greater Vancouver area.

two apartment buildings having a market value of \$3,250,000 to highlight this section's accomplishments.

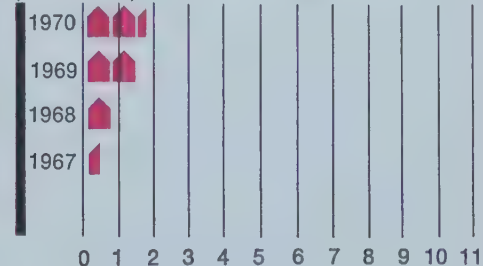
A major objective of the international section is to attract new investors and investment funds from the whole of Southeast Asia. In addition to consolidating the Company's valuable connections in Hong Kong, we are engaged in a program designed to introduce your Company and the various services and investment opportunities we offer to new sources of investment funds in Malaysia and the Philippines.



GROSS REVENUES—Rental (In Hundred Thousands)



GROSS REVENUES—Real Estate (In Millions)





*Robert Lee (right) and Charles Bosman,
Brian Fisher and Les Newson.*

Rental Income Portfolio

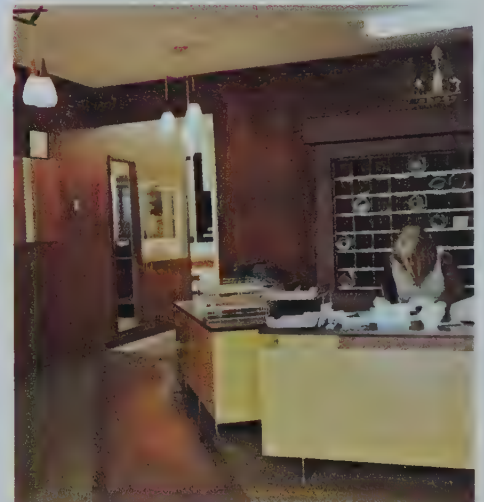
The rental portfolio comprised of properties owned by the Corporation showed vigorous growth during the year. The number of suites in this portfolio was increased to 1,152 from 997 in the previous period. Gross revenue from rentals increased 58 per cent over the previous year.

Emphasis has been placed on careful site selection and generally we have restricted our interest to properties located in established rental areas. This policy has proven its merit by the negligible vacancy factor experienced by the Company during the past year. We feel that it will continue to ensure rental income stability over the long term.

Management anticipates a continuing demand for rental accommodation

in prime locations having particular regard to the virtual halt in apartment construction in the Greater Vancouver area during the past year. It is management's intention to continue to expand in this Division with the object of increasing rental income and thereby adding to the Corporation's underlying strength.

The reception area at Wall & Redekop Realty's Kingsway service centre in Vancouver.





A general sales meeting of Wall & Redekop realty personnel.



The Ashdown, a 113-suite apartment building at 720 Queens Street in New Westminster which was recently completed.

Farm Division

A machine operator supervises egg grading and packaging of Fairview Farms at Clearbrook, B.C.



During the fiscal year we were pleased with the formation of our new joint venture with Kelly, Douglas & Co. Ltd. to expand an egg marketing facility. Fairview Farms Limited was incorporated for this purpose, and indications are that this venture will provide the necessary marketing strength which is the key to sound long-range development and greater profitability of our Farm Division.

In addition, operational efficiency has been substantially increased with the installation at Fairview Farms of the most modern egg-grading and packaging equipment available to the industry.

In the past year, particularly in the last six months, the market for eggs was affected by price fluctuations due to shipments of surplus eggs from other provinces and adjacent areas of the United States into the British Columbia market. However, the recent formation of egg marketing boards in other provinces promises to bring stability in egg prices throughout Canada.

The growth rate and profit potential of the Corporation's Farm Division will be considerably enhanced by these developments.

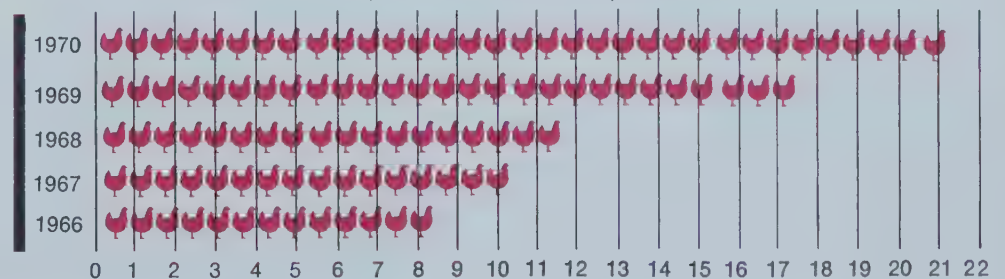


John Redekop (center), Manager of Farm Operations, and Jacob Redekop (left) and Peter Neudorf inspect graded and packaged eggs in the cooler storage room at Fairview Farms.



Fairview Farms, a joint egg marketing venture of Wall & Redekop Corporation and Kelly, Douglas & Co. Ltd.

GROSS REVENUES—Farm (In Hundred Thousands)



WALL & REDEKOP CORPORATION LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEET AS AT JULY 31, 1970



ASSETS

	1970	1969
Accounts receivable — trade	\$ 1,251,697	\$ 2,074,500
— director	—	40,000
Sundry investments	85,475	—
Inventory — Note 4	7,127,819	9,188,102
Prepaid expenses and deposits	52,534	57,022
Agreements receivable	765,924	674,840
Amounts receivable on agreements for sale — Note 5	2,008,489	1,375,918
Income producing properties, at cost	\$11,990,042	
Less: Accumulated depreciation — Note 6	<u>102,384</u>	<u>7,313,288</u>
Fixed — at cost:		
Land	415,657	
Buildings	1,265,514	
Vehicles, machinery and equipment	382,271	
Office furniture and fixtures	140,515	
Leasehold improvements	<u>45,057</u>	
	2,249,014	
Less: Accumulated depreciation	<u>422,484</u>	<u>1,009,797</u>
Financing expenses, less amounts amortized	106,093	112,334
Goodwill — Note 7	114,000	120,000
	<u>\$25,226,219</u>	<u>\$21,965,801</u>

On behalf of the Board:

Director

Director

WALL & REDEKOP CORPORATION LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEET AS AT JULY 31, 1970



LIABILITIES

	1970	1969
Bank indebtedness — Secured — Note 8	\$ 2,306,557	\$ 2,167,394
Accounts payable and accrued liabilities	1,947,184	2,775,359
Income taxes payable	819,941	770,478
Mortgage advances on construction in progress, and agreements payable	1,888,986	3,419,607
Mortgages on properties sold under agreements for sale — Note 9	1,279,959	722,353
Mortgages on income producing properties — Note 9	10,018,028	6,336,769
Sinking Fund Debentures — 8% — Note 9	1,500,000	1,500,000
Deferred income taxes	1,158,781	702,641
Shareholders' advances	22,374	8,795
Minority interest	47,925	51,648
	<u>20,989,735</u>	<u>18,455,044</u>

SHAREHOLDERS' EQUITY

Share capital — Note 10	1,452,593	1,452,593
Retained earnings	2,783,891	2,058,164
	<u>\$25,226,219</u>	<u>\$21,965,801</u>

The notes to the consolidated financial statements are an integral part thereof.

WALL & REDEKOP CORPORATION LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF NET EARNINGS AND RETAINED EARNINGS
FOR THE YEAR ENDED JULY 31, 1970



	1970	1969
Revenue:		
Construction and land development	\$ 4,515,691	\$ 5,147,778
Lumber and building products	3,726,495	4,054,312
Farming	2,124,734	1,750,884
Rental	1,399,674	887,524
Real estate agency	1,730,600	1,344,648
	<u>13,497,194</u>	<u>13,185,146</u>
Cost of sales and operating expenses	11,169,503	10,792,379
Operating profit before the following charges	<u>2,327,691</u>	<u>2,392,767</u>
Interest	560,813	417,233
Depreciation — Note 6	157,402	117,882
Management salaries	96,000	51,750
	<u>814,215</u>	<u>586,865</u>
Operating profit	1,513,476	1,805,902
Less: Minority interest	<u>57,864</u>	<u>33,576</u>
Earnings before income taxes	1,455,612	1,772,326
Income taxes paid or payable	279,885	743,242
Income taxes deferred to future periods	450,000	162,912
Total income taxes	<u>729,885</u>	<u>906,154</u>
Net earnings for the year	725,727	866,172
Retained earnings — opening balance	<u>2,058,164</u>	<u>1,191,992</u>
Retained earnings — closing balance	<u>\$ 2,783,891</u>	<u>\$ 2,058,164</u>
Earnings per share (based on 1,831,340 shares outstanding at July 31, 1969 and 1970)	<u>40c</u>	<u>47c</u>

The notes to the consolidated financial statements are an integral part thereof.

WALL & REDEKOP CORPORATION LTD. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT JULY 31, 1970



Note 1 — GENERAL INFORMATION

(i) Wall & Redekop Corporation Ltd. (the Company) is an amalgamated company under the British Columbia Companies Act. A Certificate of Amalgamation dated January 31, 1969 was issued pursuant to Section 178 of the British Columbia Companies Act, as a result of an amalgamation agreement dated January 24, 1969. The companies which amalgamated under the name of the Company are:

Atlas Construction Co. Ltd.
Sperling Lumber Ltd.
Monroe Lumber Co. Ltd.
H. & M. Cabinets Ltd.
Chester Securities Ltd.
Wall & Redekop Corporation Ltd.
(formerly Mavis Securities Ltd.)
South West Lumber Ltd.
Monocrest Kitchens Ltd.

The Company then acquired as of January 31, 1969 all of the outstanding shares of:

Wall & Redekop Realty Ltd.
Mt. Lehman Produce Ltd.
Mount Lehman Farms Ltd.
Redekop Bros. Farms Ltd.
Pinecrest Poultry Farms Limited

and an 80% interest in the partnership known as Redekop & Wall Apartments.

(ii) During May, 1969 the Company acquired all of the outstanding shares of:

Southland Development Ltd.
Cloverdale Lumber & Plywoods Ltd.

Note 2 — BASIS OF CONSOLIDATION AND ACCOUNTING PRESENTATION

(a) The transactions referred to in Note 1 (i) have been treated for accounting purposes as a pooling of interests and accordingly the consolidated statements of earnings and retained earnings include the accounts of the companies party to the amalgamation, the subsidiary companies, and the partnership. The earnings of South West Lumber Ltd., Sperling Lumber Ltd., H. & M. Cabinets Ltd. and Atlas Construction Co. Ltd. have been included only since the date of acquisition of those companies in 1968 by the principal shareholders of Wall & Redekop Corporation Ltd.

(b) The May 1969 acquisitions referred to in Note 1 (ii) have been treated for accounting purposes as purchases and accordingly the earnings of these companies have been included only since the dates of acquisition.

(c) The nature of the Company's business is such that a statement of source and application of funds is not meaningful and accordingly such a statement has not been prepared.

Note 3 — CLIENT'S TRUST FUNDS

Not included in cash or liabilities are balances of \$136,038 (1969 \$162,866) held in trust bank accounts for clients.

Note 4 — INVENTORY

Inventory at July 31, 1970 was valued at the lower of cost and net realizable value and consisted of:

	1970	1969
Lumber and building products	\$ 410,616	\$ 468,826
Livestock	414,276	420,719
Real estate held for resale or development	3,461,122	5,947,925
Construction in progress	2,841,805	2,350,632
	<u>\$7,127,819</u>	<u>\$9,188,102</u>

It is the policy of the Company to include in the value of construction in progress interest on borrowed funds and related real estate taxes.

Note 5 — AMOUNTS RECEIVABLE ON AGREEMENTS FOR SALE

These consist of balance due from sale of apartment buildings, which balances are secured by agreements for sale. The agreements bear interest at an average of 9¾% and are for terms of 20 to 25 years.

Note 6 — INCOME PRODUCING PROPERTIES

These properties are stated at cost.

Depreciation has been provided on these properties using the sinking fund method at a 5% rate per annum to fully depreciate the buildings over a 40 year period.

Note 7 — Goodwill

The Company has adopted a policy of amortizing goodwill on a straight line basis over 20 years.

Note 8 — BANK INDEBTEDNESS \$2,306,557

The bank loans are secured by various combinations of the following:

- General assignment of book debts.
- An assignment of the proceeds from certain mortgage loans.
- Assignment of inventory under Section 88 of the Bank Act.
- Assignment of title deeds to certain property.
- The personal guarantees of certain directors.

Note 9 — LONG-TERM DEBT AND MORTGAGE ADVANCES

	1970	1969	Principal due within one year	
			1970	1969
Long-Term Debt:				
Debentures				
8% Redeemable				
Sinking Fund				
debentures, Series				
A due April 14,				
1987	\$ 1,500,000	\$1,500,000	\$ —	\$ —

WALL & REDEKOP CORPORATION LTD. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT JULY 31, 1970



Mortgages payable
on properties sold
under agreements
for sale, bearing
interest at an
average rate of
9% % and
maturing at
various dates
from 1970 to
1995

1,279,959	722,353	64,575	57,000
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1st and 2nd
mortgages payable
on income pro-
ducing properties
bearing interest at
various rates from
6% to 16% and
maturing at var-
ious dates from
1970 to 1995

10,018,028	6,336,769	418,151	376,000
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Total	\$12,797,987	\$8,559,122	\$482,726	\$433,000
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The Company has covenanted to establish a sinking fund to retire principal amounts of Series A Debentures in each of the years 1975 to 1986 as follows:

- i) 1975 - 1979 \$50,000 per annum
- ii) 1980 - 1986 \$75,000 per annum

The debentures rank *pari passu* with each other and are secured by a floating charge on the Company's undertakings, property and assets subject only to specifically mortgaged properties, such floating charge to permit dealings in the ordinary course of business and bank borrowings secured by specific charges or other collateral.

Attached to the debentures are warrant coupons entitling the holders at any time after April 15, 1971 and up to March 15, 1979 to six share purchase warrants for each \$100 principal amount of Series A Debenture. Each share purchase warrant entitles the bearer to purchase one common share of the company at the price of \$6.00 per share from April 15, 1971 to April 14, 1974 and at \$7.00 per share from April 15, 1974 to April 14, 1979.

Note 10 — SHARE CAPITAL

Common Shares

Authorized 3,000,000 shares without nominal or par value

Issued and fully paid — 1,831,340 shares \$1,452,593

(a) The trust deed for the Debentures contains certain restrictions on the payment of dividends on the Common shares.

(b) 90,000 Common shares are reserved for the exercise of Share Purchase Warrants — see Note 9.

(c) Common share options.

(i) 80,000 Common shares are reserved for options for

full-time employees of the Company. These options, if granted, may be exercised at a price to be fixed with the consent of the appropriate regulatory body on the following schedule:

20,000	January 1, 1970 to December 31, 1971
20,000	January 1, 1971 to December 31, 1972
20,000	January 1, 1972 to December 31, 1973
20,000	January 1, 1973 to December 31, 1974

(ii) An option has been granted for 30,000 shares at \$6.00 which expires at October 31, 1971.

Note 11 — DIVIDENDS

A dividend of 10c per common share was declared on August 14, 1970 payable as follows.

5c — date of record August 31, 1970
date of payment September 30, 1970
5c — date of record March 1, 1971
date of payment March 31, 1971

Note 12 — COMMITMENTS AND CONTINGENCIES

(a) The estimated additional costs to complete buildings under construction are \$2,800,000 (1969 \$1,400,000) for which mortgage financing has been arranged.

(b) The Company is on the covenant of certain mortgages assumed by the purchasers of properties sold by the Company and its subsidiaries. It is considered unlikely that the Company will become directly liable in respect of any such covenants.

Auditors' Report

The Shareholders,
Wall & Redekop Corporation Ltd.

We have examined the consolidated balance sheet of Wall & Redekop Corporation Ltd. and subsidiaries as at July 31, 1970 and the consolidated statement of net earnings and retained earnings for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion these financial statements present fairly the financial position of the company and subsidiaries as at July 31, 1970 and the results of their operations for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Touche Ross & Co.

Chartered Accountants
Vancouver, B.C.
September 30, 1970.



Peter Wall, *Chairman*

Peter Redekop

Robert Lee

John Redekop

Clare Baldwin

David Lam

Douglas McK. Brown, Q.C.

Officers

Peter Wall, Chairman
Peter Redekop, President
Clare Baldwin, Secretary

Subsidiaries

Wall & Redekop Realty Ltd.
Southland Development Ltd.
Cloverdale Lumber & Plywoods Ltd.
Redekop & Wall Apartments
Mt. Lehman Produce Ltd.
Mount Lehman Farms Ltd.
Redekop Bros. Farms Ltd.
Pinecrest Poultry Farms Ltd.
Vanrich Holdings Ltd.

Annual Meeting of Shareholders,
10 a.m. October 28, 1970
Bayshore Inn, Vancouver, B.C.

Transfer Agent & Registrar
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